The Prosperity Now Scorecard provides data on the financial health of households in the United States. With this report we are releasing new data at the local level: outcomes measures across five issue areas for cities, counties, metro areas, tribal areas and Congressional Districts. When you compare outcomes across communities, it's clear that where you live matters for your financial security, ability to accumulate wealth and opportunities to prosper. In an analysis of the Scorecard data for US cities with populations above 75,000, we find extreme differences in outcomes across different types of cities. The impact that race and community conditions have on families’ outcomes is clear: the cities that emerge with the best outcomes are all suburban, majority-White cities, while the cities with the worst outcomes are former industrial centers that are approximately half Black or Latino.¹

Many circumstances at multiple levels contribute to the range of outcomes we see across cities but the individual financial decisions and financial knowledge of individuals within those cities are not the main drivers. The individual financial decisions that people make may have an impact on our financial health and well-being, but our individual behaviors depend on the opportunities and resources that we can access.

For example, setting up a monthly direct deposit into a savings account is a sound financial decision, but doing so presumes that you have enough money left over to save each month; fairly predictable wages and expenses so that you can be sure you’ll have money in your account at the same time each month; and access to both a checking and a savings account—and that’s still only if your employer offers direct deposit. Your opportunity to make this decision is impacted a number of institutions and systems including your employer, financial institutions located in your community, the cost of services and housing in your area and even the policies at all level of government that impact job quality and the financial system.

For too many households, the institutions and systems that facilitate making good financial decisions are lacking or are not available at all. And for people of color, ongoing discrimination has put additional obstacles to opportunity in place including discrimination in labor markets that limited access to the formal economy and good-paying jobs for Black men in

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For too many households, the institutions and systems that facilitate making good financial decisions are lacking or are not available at all. And for people of color, ongoing discrimination has put additional obstacles to opportunity in place including discrimination in labor markets that limited access to the formal economy and good-paying jobs for Black men in
particular as well as policies that depress wages and limit protections for occupations in which people of color are the predominant workforce, such as farmworkers and domestic workers.2

If we are not in control of all aspects of our individual financial decisions because of the environmental, institutional and systemic factors that influence our choices, it is also true that individual financial behaviors are not enough to overcome the barriers to lasting financial security, wealth and prosperity—especially for people of color.

To make lasting changes in our communities, we cannot stop at solutions that seek to only impact outcomes at the individual or family level. We must implement solutions that address conditions in our neighborhoods, institutions in our economy and our policy structures while also targeting approaches that address the significant racial disparities that exist in all communities.

Prosperity Now recognizes the important roles municipal leaders and local policy play in seeing these changes and solutions become realities. We also understand that the most effective solutions might not be immediately clear, especially when they must meet specific and unique local challenges.

To layout out such options in meaningful, manageable and moveable ways, Prosperity Now has developed a Municipal Policy Blueprint to guide local and municipal leaders and advocates toward effective solutions for building financial security within communities of color and creating more prosperous cities. These solutions are designed to be tailor-fit to local realities with the support of local champions who recognize their need first-hand and are seeking paths within their communities to help boost incomes, manage debt, protect consumers, provide affordable housing and homeownership opportunities where they haven’t existed previously and build assets that can help families of color become more secure now and thrive in the future. Policy, supported by data and in service of local needs, can begin the process of removing structural barriers and building new pathways to more prosperous communities.

DATA INTO ACTION

In this brief, we highlight key findings3 in three areas:

- Boosting savings along with incomes
- Housing affordability and stability
- The connection between health and financial well-being

Within each section, you will find examples of efforts of local governments, organizations and coalitions working to address these issues and close gaps in opportunity within their communities.

We hope that the Scorecard data and resources are a starting point for change within your community. Use the data to better understand the financial health of your community and identify areas in need of further research and planning. Find ideas for solutions and strategies that can move us closer to providing opportunities for all families to prosper. Work with local advocates, policymakers and program administrators to turn those ideas and strategies into a better reality for your community and its residents.

Visit Scorecard.ProsperityNow.org to view the Local Data

- Compare outcomes in your local community over time, to those of other communities, or to the outcomes at the state and national level.
- Discern the unique financial challenges facing communities of color.
- Assess the extent to which your state has taken steps to build residents’ financial well-being.
- Customize reports and graphics that make for perfect handouts in meetings with your elected officials, funders or partners.
- Connect with like-minded advocates, activists and service providers in your city or state in Prosperity Now’s Community.
INVESTING IN OPPORTUNITY IN SAINT PAUL, MN

The 2019 Scorecard introduced a state ranking of racial disparities that measured the gap in outcomes between White households and households of color. Minnesota, a state that performs well in the Scorecard when you just consider overall outcomes for state residents, had the 8th largest average disparities by race and ethnicity. As extreme as racial economic inequality is in Minnesota, it is even larger at the local level—and in Saint Paul in particular, the state’s capital and second largest city. Saint Paul is a diverse city, with an 18% Asian, 15% Black and 10% Latino population, compared to Minnesota as a whole, which is 80% white.

In his inaugural address in 2018, Mayor Melvin Carter recognized that Saint Paul is a city with momentum, but also a place of deep inequity. He proposed to invest in opportunity in all neighborhoods and provide families with tools for wealth building, including providing a $50 college saving account to every child born in Saint Paul. In his first year and a half in office, Mayor Carter’s administration worked hard to fulfill these promises, launching the City’s Office of Financial Empowerment and creating a task force to make recommendations about the design of the college savings program, now called College Bound Saint Paul.

Research and data were a key part of the strategy that Mayor Carter’s administration used in the planning for these initiatives. Statistics like those found in the Scorecard, particularly data on income inequality and data that could be disaggregated by race, were used to help make the case for the new Office of Financial Empowerment in the 2019 budget to the City Council. To dig beneath the city-wide data points, the Mayor’s office also engaged in gathering information and feedback from community members as a key strategy in designing initiatives.

The design process for the College Bound Saint Paul program, which is set to launch in 2020, was inclusive and community owned. The members of the Saint Paul College Savings Account Task Force selected by the mayor represented organizations and institutions that had touchpoints with children and families who would participate in the proposed CSA and were themselves mostly women, people of color, and/or Indigenous.

The task force held nine community engagement sessions to gather feedback on the CSA program vision and design from community members. Task force members intentionally sought out communities whose voices have historically been excluded in planning processes by holding engagement sessions in partnership with organizations that serve people with a broad range of cultures, languages, neighborhoods and experiences that reflect the diversity of Saint Paul.

Connecting data and community needs will continue to be a core part of the mission of Saint Paul’s Office of Financial Empowerment as it is tasked with “collecting and evaluating data to inform policy priorities.” As the office looks to the future of its work, analyzing data and trends to see how effectively they’re reaching targeted equity-focused communities, particularly residents who have been largely invisible in past analyses such as residents with disabilities and local indigenous communities, will be critical to understanding how well challenges are being identified and how local programs and policies are being implemented to address them.

Muneer Karcher-Ramos, the recently named director of the Office of Financial Empowerment, shared,

\[\text{The Scorecard has been an indispensable tool for our Office. We are using data from the Scorecard to put results at the center of the conversation with stakeholders. When we move the needle on these indicators, we know that translates to on-the-ground change for Saint Paul residents.}\]
BUILDING SAVINGS AS A STEP FROM STABILITY TO SECURITY

Finding a source of stability upon which to grow a foundation for financial security is difficult in the best of times for America’s low-income families regardless of the place they call home. But for many who choose to seek out the opportunities for advancement and promises of work and mobility in cities, these challenges only intensify.

On average, nearly 43% percent of households in our largest cities⁸ are liquid asset poor, lacking enough savings to make ends meet at the federal poverty level for just three months in the wake of a financial emergency. For families of color, who often find their opportunities for wealth and mobility more limited even within neighborhoods they’ve called home for generations, the barriers to a stable future often seem even farther out of reach with an average of 58% of households of color in our largest cities living in liquid asset poverty—just one lost paycheck or medical emergency away from falling over a financial cliff.

The reality is that it’s expensive to live in cities across the country. In Washington, DC, for example, the Economic Policy Institute calculates it would take a family of four nearly $124,000 to “attain a modest yet adequate standard of living,”⁹ yet 13.7% of families in the District live below the federal poverty level (approximately $25,750 per year for a family of four in 2019), and in a city where 47% of residents are Black, it’s especially concerning that nearly one in four Black families lives below this level. When it comes to savings or being prepared for an emergency, 34% of households and, more overwhelmingly, 50% of households of color in DC, are liquid asset poor, teetering just on the edge of poverty following the loss of a job, a medical emergency or some other economic shock. In circumstances like this where finding the means to cover basic expenses or putting food on the table can be a daily struggle, maintaining even a modest amount of savings for a rainy day can seem like an insurmountable struggle. How can you think about getting ahead when getting by feels like an impossible task?

The real challenge is that we must address both sides of this question through policy solutions simultaneously. And as we do so, we must be clear where our efforts are best targeted so that we don’t exacerbate existing disparities while also striving to improve opportunities throughout our city economies. To get to a place where saving becomes a real possibility for all families, we can’t ignore the need for sufficient and stable incomes. Across our largest cities, an average of 15% of families are living in income poverty, in clear need of a boost in wages.

Where possible and not preempted by state law, cities should consider raising the minimum wage. But even where preemption laws exist, cities can take action to positively impact workers and wages and can do so in a way that addresses the disproportionately lower wages of households of color, given that 24% of Black families and 23% of Latino families live in income poverty, compared to only 7% of White families.

Local government employment has long been a route to good jobs and better pay, especially for workers of color in our largest cities.¹⁰ Municipal leaders should continue the trends of increasing economic and social mobility through public employment by defying preemption laws as large-scale employers and increasing the minimum wage for city workers, opening avenues to more stable wages.

Stronger wages are an important and essential step toward growth, but without the ability to weather a storm, many families...
remain in a precarious position, unable to reach financial stability or build financial security. Setting aside emergency savings creates the buffer that is necessary to help families move beyond living paycheck to paycheck, knowing that even if the car needs to go into the shop for a problem today, it won’t mean not being able to pay for groceries or cover the rent tomorrow.

But even with better wages, low-income families often need an additional boost to seed that pot of savings. A frequent source for such a boost is derived from the federal and state Earned Income Tax Credits (EITCs) that supplement low-income working families' wages through a refundable tax credit. For some, this once per year windfall at tax time is enough to pay down bills, make necessary but delayed repairs to a home or car or, better yet, begin to set aside some savings. For others, particularly those living in some of our most expensive cities, this one-time payout simply isn’t enough to get to that all-important savings side.

In Washington, DC, a city that has enacted one of the most generous EITCs, even recipients of the current credit have been found to still struggle to make ends meet as the year progresses beyond tax refund time, not having the opportunity to save and prepare for emergencies. To help make this more of a possibility while incentivizing savings and enhancing the EITC, a member of the local District Council, Councilmember Brianne Nadeau, introduced the Rainy Day Refund Act. This initiative would give low- and moderate-income working families in the District as much as a 50% savings match to their DC EITC if they opt to set aside a portion of their tax refund as emergency savings for six months.11

Looking at data revealed the month-to-month struggles of many workers living in the District, especially as the local labor market continues to shift more workers to contract work, contingent labor and inconsistent schedules. In recognizing this, the Councilmember understood that a policy intervention was necessary and that she could use local data as evidence to support the need for this change. By making emergency savings simpler and more accessible at a time when many low-income families are most able to set aside some savings, a Rainy Day EITC has the potential to, at the very least, relieve financial stress, as demonstrated in research on similar local-level programs.12

As Councilmember Nadeau stated upon introducing the bill to create a DC Rainy Day EITC, “This legislation empowers residents who are living paycheck to paycheck to set aside savings for a rainy day. The District has one of the highest rates of income inequality in the nation. This bill helps improve one of the District’s most successful programs to help put more money in the pockets of our low-income residents.” As of this brief’s publication, the bill has garnered the support of nearly half of the District Council and awaits an upcoming committee hearing before advancing to the full Council for approval.

**PRESERVING AFFORDABLE OWNER AND RENTAL HOUSING MARKETS TO PROMOTE ECONOMIC SECURITY**

The nation’s homeownership market is rebounding, but affordability remains a sticking point that threatens to undermine this recovery. This dynamic is most pronounced in our nation’s most-populated cities and mid-sized urban centers. With the design and population patterns of the nation’s cities and suburbs having been largely determined along racial segregationist lines over the past century13 and the current administration’s Department of Housing and Urban Development (HUD) actively undermining efforts to curb the hemorrhaging of affordable housing stock, this dynamic further intensifies the vast wealth divide that governs life in the United States.

Homeownership rates in America’s cities cratered following the recession over a decade ago. Yet, most cities and metropolitan areas are only just starting to see consistent recovery in the homeownership market. Of the nation’s large and mid-sized cities,14 only 23.4% had homeownership rates higher in 2017 than they were in 2013. In 26 of these cities, including Newark, NJ, and Reno, NV, homeownership rates remain below 50%. Just 27 cities total (4.9%) had rates higher than they did in 2009.
In urban centers with increasing homeownership rates, this nascent housing market growth has served to exacerbate income and wealth inequality and contributes in no small way to the increasing social and economic stratification and tension plaguing the country. *Housing affordability* is at the center of this tension.

At the median, growth in home values has exploded since 2000, even as the housing crisis disrupted that upward trajectory. In major and mid-sized cities, home values rebounded well before household incomes. And while incomes have trended upward in recent years, home values at the median are nearly $100,000 (46.5%) greater than they were in 2000. In 2000, homes in all U.S. cities were worth 2.8 times the median household income on average—well within the rule-of-thumb affordability range, which stipulates that homes should be three times the household income or below in order to be “affordable.” In 2010, just after the housing bubble burst, homes in U.S. cities were worth more than 3.8 times the median household income. By 2017, after the nation’s homeownership rate had reached its lowest point and begun its recovery, homes in U.S. cities were worth nearly 3.5 times median household income—more affordable than at the start of the decade, but still unaffordable by even conservative standards.

Estimates in major and mid-sized cities suggest even more extreme unaffordability. In 2017, the median home value was, on average, nearly 4.3 times the median household income. In 173 total cities including Boulder, CO; Oakland, CA; and Passaic, NJ, homes are worth twice this average or more. As incomes remain stagnant, the continued rise of property values ensures that only the wealthy, or those who already own property, can capitalize on the growth of the housing market. With rises in *high-cost mortgage lending* and *foreclosures* looming, cities must ensure that they nip any threat in the bud and preserve affordable homeownership by offering foreclosure prevention and mortgage assistance for new homeowners.

But “affordability” as a notion is relative—and not exclusive to homeowners. In our increasingly stratified economy, those in the lowest income and wealth segments—disproportionately Black and brown people—are too often left out in the cold. Renters in cities across the country have experienced increases in housing costs over the past decade and low-income renters are being squeezed out as cities expand their homeownership and luxury rental stock to attract and accommodate new, higher-income residents.

The National Low-Income Housing Coalition’s annual *Out of Reach* report has made it clear that the affordable housing crisis pervades every corner of the country. Harvard University’s Joint Center for Housing Studies has also illustrated the steep decline in low-rent housing stock in nearly all of the country’s metropolitan areas over the past seven years. Adding to the pressure, HUD, under the advisement of Secretary Ben Carson, proposed raising rents on low-income recipients of housing subsidies, bringing rents in some cities in line with market rates. Further, in most cities and states, it is legal for landlords and housing providers to *discriminate against Section 8 voucher recipients*, forcing low-income renters into substandard or unaffordable housing or out of the market altogether.
With cities recognizing the need for additional affordable rental stock, many, like Washington, DC and Newark, NJ, are embracing inclusionary zoning (IZ) as a solution. Some, like Atlanta, GA, have implemented limited IZ in high-development areas with mixed results.\textsuperscript{18} Minneapolis, MN, and the state of Oregon have gone a step further and enacted legislation that ends single-family zoning, allowing for the development of denser housing stock.\textsuperscript{19, 20}

There are challenges to the recent trend in equitable development, however. In many states, like Georgia and Louisiana, statehouses have banned or are considering banning IZ outright through preemption, claiming that reserving units for low-income households will curb new development by limiting the profitability of these projects for prospective developers. And as rents rise for the recipients of housing subsidies, HUD further weakened the Fair Housing Act by suspending the Affirmatively Furthering Fair Housing rule, which was introduced during President Obama’s final term and was designed to ensure that federal dollars for housing were allocated only toward development that rectified the civic and social discrimination that mar the rental and homeownership markets.\textsuperscript{21}

\textbf{New Orleans} is among the cities most impacted by the unaffordability trend and the challenges of an intransigent statehouse. As the largest city in the lowest-ranking state in the Scorecard, New Orleans is home to extreme disparities in outcomes by race and income and its housing shortage predates even the devastation and transformation wrought by Hurricane Katrina. The subsequent recovery from tragedies both natural and man-made has been far from equal and has led to a struggle for the future and the soul of one of the nation’s cultural cornerstones.

Data from Princeton University’s Eviction Lab show how extreme the displacement of low-income residents was in New Orleans in the years leading up to Katrina’s arrival: in each year from 2001 through 2005, the city averaged between 11 and 14 evictions per day.\textsuperscript{22} During this time, affordable housing developments throughout the city were razed, scrambling the city’s demographics and forcibly removing the populations of whole neighborhoods outright. After Hurricane Katrina hit New Orleans and the flooding from the burst levees forced thousands of residents out of the city, that demographic shift became permanent as developers in the city used the opportunity to scoop up properties for pennies on the dollar and rebuild the city without the input of the communities most affected by the crisis. Today, New Orleans remains a majority-renter city. Yet renters suffer from high cost burdens (nearly 37% of income, at the median) and ever-rising rents as the new construction that has displaced so many over the years has made rental housing stock plummet and property values rise.

The rebuilt New Orleans has, in many ways, neglected a strong community of Black renters and homeowners which helped to build the city’s storied history and cultural traditions. Fortunately, strong NOLA-based organizations like the Greater New Orleans Fair Housing Action Center (GNOFHAC) are working to maintain the security, stability and safety of every renter and homeowner in New Orleans. For nearly 25 years, GNOFHAC has taken a proactive advocacy approach, addressing the city’s inequitable development and resident outcomes by:

\begin{itemize}
  \item Affirmatively defending renters’ Fair Housing rights and fighting evictions and renter discrimination on their behalf in court.
  \item Conducting investigations and disparate impact analyses to identify civil rights violations and pursue appropriate remediation.
  \item Pushing for aggressive discrimination protection for renters and equal housing rights legislation and regulatory enforcement through the city government and the Louisiana statehouse.
\end{itemize}

As a result of GNOFHAC’s leadership and dedication, as well as the advocacy efforts of stakeholders and community organizations from all over the city, New Orleans passed an inclusionary zoning ordinance to which future development in the city’s most popular neighborhoods will be subject—in direct defiance of the state’s governor, who threatened to veto, then ban, the initiative.\textsuperscript{23}
GNOFHAC also launched the Homeownership Protection Project, an initiative that involves Municipal Blueprint policies like foreclosure prevention and delinquency counseling, legal services for lender and insurance negotiations, contractor advice, and property tax assistance.

Through this direct policy advocacy on behalf of low-income homeowners, GNOFHAC is setting an example that other cities can follow to stem the tide of inequitable development and ensure equal opportunity for all residents, irrespective of race or income.

Cities must continue to combat residential segregation by prioritizing innovation and equity in housing and infrastructure development, despite potential pushback from the statehouse. Likewise, state legislatures must resist the urge to preempt local IZ ordinances and allow their cities to govern justly. Reversing decades of exclusionary rental and single-family construction by setting and protecting equitable and inclusionary housing development standards should be a mandate of every city hall and statehouse, as well as the federal Department of Housing and Urban Development.

**ACHIEVING FINANCIAL SECURITY THROUGH HEALTH EQUITY**

Health, financial well-being and neighborhood conditions are inextricably linked. A person’s physical and mental health impacts their ability to work, earn a living and build wealth, but a person’s financial situation and wealth also directly impact their health and health behaviors. Leaders and practitioners in the health and asset-building fields must innovate on the policy and programmatic fronts to deliver services jointly and ensure community needs are being met across silos.

In Boston, StreetCred, an innovative program established at Boston Medical Center (BMC) in partnership with the Boston Tax Help Coalition, offers free tax preparation services to families receiving pediatric care at BMC. StreetCred seeks to address root causes of poor child health outcomes by increasing access to the EITC. By helping families receive their full tax refunds, StreetCred seeks to improve the overall well-being of the family’s health through poverty reduction and creating the opportunity to build a more financially secure future.

StreetCred has also expanded beyond BMC to other health services locations in eight states with plans to add additional financial services including helping families establish savings accounts, gaining paid employment opportunities and engaging in financial coaching.

This kind of innovation that recognizes the multifaceted needs of low-income communities fosters a broader, clearer understanding of what it takes to achieve wealth and prosperity in this country.

But there are also key policy barriers that are critical to the physical and financial health of communities of color and low-income households. Health insurance and the policies that influence who does and does not get covered in our society play a central role in improving access to care.

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**Key Research on the Health/Wealth Connection**

- Experiencing financial hardship and persistent stress related to finances and struggling to get by, particularly early in life and persistently over time, negatively affects health outcomes later in life, including poorer self-rated health, more chronic disease and more depressive symptoms.24

- Having consumer debt has been associated with poorer physical health, obesity, chronic illness, substance abuse and higher rates of depression and anxiety.25

- Receiving a tax refund is a significant driver of when people get medical and dental care, particularly low-income, younger and female consumers. An analysis of account transaction data from the JPMC Institute found that in the week after receiving tax refunds, out-of-pocket health care spending increased 60%, the majority of which went towards visits to health care providers.26

- Families with greater income and wealth are better able live in homes and neighborhoods that provide better living conditions, such as fewer environmental hazards, less crime, less housing insecurity and more parks and green spaces.27

- In an analysis of county-level health outcomes, County Health Rankings & Roadmaps found that higher rates of households experiencing severe housing-cost burdens are associated with more people who are food insecure and more people reporting poor or fair health.28
and protecting income and assets. Going without health insurance can have serious financial consequences—a medical emergency could result in significant medical debt—as well as health consequences due to receiving less preventative care or delaying necessary care due to cost.

Although recent actions of Congress and the Trump administration have slowed progress, the health insurance coverage provisions in the Affordable Care Act (ACA) greatly decreased the uninsured population in the United States over the last several years. However, the impact of the ACA on uninsured rates was not evenly distributed across the country as states were given the option to opt out of expanding Medicaid income eligibility outcomes. As of 2019, 18 states have yet to expand Medicaid coverage to adults earning up to 138% of the federal poverty level.

An analysis of the percent of people without health insurance across the nation’s local areas is one of the clearest indications that the policy environment in your state impacts your available resources and opportunities. The lack of action by the states that have declined to expand Medicaid has directly resulted in poorer outcomes for their residents and underscores the need for local solutions and community-based advocacy. Within states that expanded Medicaid, the average uninsured rate for counties is 10.7%, but it’s 15.9% for counties in states that did not expand Medicaid.²⁹

People of color are more likely to lack health insurance than White people in the US overall and in almost all counties but lack of access to Medicaid appears to impact certain populations disproportionately. Average uninsured rates are 44% higher for White people in counties without Medicaid expansion, but 52% higher for Asian people, 55% higher for Latino people and 66% higher for Native Hawaiian and Pacific Islanders.

As municipal leaders begin to recognize the important role health insurance plays in the financial well-being of their residents, they should use their positions to directly advocate for their states to expand Medicaid to ensure that as many households as possible are covered without additional work requirements or barriers to coverage.
MUNICIPAL POLICY BLUEPRINT FOR A MORE INCLUSIVE PATH TO PROSPERITY

Though the Scorecard does not assess localities on local-level policy measures, Prosperity Now has assembled resources into a guide for municipal policymakers and advocates that may be used to enact policies that can have positive impacts on the Scorecard’s local outcome measures—A Municipal Blueprint for a More Inclusive Path to Prosperity. This Municipal Blueprint presents meaningful, manageable and moveable policy solutions in four key areas that can be tailored to fit distinct local contexts and build financial security within communities of color. The policies presented in this Blueprint will not solve every problem identified by our local-level outcome measures, but they can lay the first steps along a pathway to prosperity for all city dwellers.

Income Boosts

- Raise the minimum wage in line with the local cost of living
- Promote and provide access to safe and affordable banking products
- Promote free and low-cost tax prep services and tax credits

Consumer Protections and Debt Management

- Inventory and reform municipal fines and fees
- Enact responsible banking ordinances
- Regulate predatory small-dollar lending and products

Support Affordable Housing and Homeownership

- Keep residents in their homes by helping avoid evictions, prohibiting source of income discrimination for low-income renters, and providing mortgage foreclosure and property tax diversion programs for homeowners
- Support programs to make homeownership more affordable

Municipal Efforts to Build Assets

- Encourage saving for college through a Children’s Saving Account program
- Prioritize entrepreneurs of color for procurement and contracting
- Ease financial barriers to obtaining citizenship

When pursuing any policy at the local level, particularly those focused specifically on communities of color, it is important to frame policies within the context of racial wealth equity from the outset. Prosperity Now recommends that advocates and policymakers seeking to implement these or any other racial wealth equity policies do so with the following approaches and strategies to policymaking and policy design in mind. To further refine such policies and to aid in evaluating the potential impact of such policies, we also recommend reviewing our guide Racial Equity Policy Design and Advocacy: A Primer.
CONCLUSION

Policymakers and administrators at all levels of government have largely failed to build a path to prosperity for every community. Persistent racial discrimination and residential segregation continue to be among the greatest threats to American democracy, and to the well-being of the country’s residents. By using the housing and K-12 education systems in tandem to isolate Black, Brown and low-income communities, governments have artificially deflated the earnings and wealth-building potential of those communities. Further, by structuring the boundaries of low-income communities and communities of color around the geographic placement of environmental hazards, and neglecting crumbling infrastructure and housing stock, local governments have doomed residents of all ages to lifetimes spent battling stagnant or underwater housing values, rising maintenance and transportation costs, and chronic disease.

By prioritizing innovative and inclusive policy solutions, local governments—with the support of local advocates—can take bold steps toward creating a better future for their residents. Cities can boost income and wealth security by raising the minimum wage across all sectors, providing free tax-time filing assistance programs as well as a refundable EITC and safeguarding earnings and savings through strong consumer protections. They can preserve affordable rental and homeownership options by promoting homeownership and downpayment assistance, introducing shared equity or housing trust fund programs and protecting renters from unsafe living conditions and discrimination in the housing market. And they can promote the economic and physical well-being of all residents by funding place-based public health initiatives, contracting with minority-owned businesses and investing in inclusive and sustainable infrastructure development as a solution for long-term resilience.

These proactive interventions can help families get a foot on the first rung of the ladder toward financial security and can send families on an upward trend to wealth and prosperity. By addressing the significant barriers facing communities—and communities of color, specifically—cities can strengthen social and economic ties and provide the foundation needed for all families to build key assets—i.e., longer-term savings, homeownership, and the ability to pass along an inheritance. A better future for all is in our reach—it’s on us to fight to make it a reality.

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ABOUT PROSPERITY NOW

Prosperity Now (formerly CFED) believes that everyone deserves a chance to prosper. Since 1979, we have helped make it possible for millions of people, especially people of color and those of limited incomes, to achieve financial security, stability and, ultimately, prosperity. We offer a unique combination of scalable practical solutions, in-depth research and proven policy solutions, all aimed at building wealth for those who need it most.
ENDNOTES


3 Data cited in this report, unless attributed to another source, is from the 2019 Prosperity Now Scorecard data for cities, counties or other local areas, of which the source for the majority of the data is the 2013-2017 American Community Survey 5-year estimates. For more information on the definitions and sources for each measure, please visit http://scorecard.prosperitynow.org.


8 In this brief, we refer to large US Cities as those over 300,000, which is the minimum threshold used in the Scorecard for producing estimates of wealth and financial access disaggregated by race, ethnicity and other demographic characteristics.


13 Sims, Bound: How Race Shapes the Outcomes of American Cities.

14 Here, “large and mid-sized cities” is defined as all cities with 25,000 households or more. A total of 554 cities meet this criteria.


18 Atlanta introduced inclusionary zoning as a part of its citywide Beltline development plan; only new construction along or in direct proximity to the Beltline path intersecting the city is subject to the requirements. However, the state of Georgia has a statute that prevents municipalities from regulating the prices property owners are able to charge, which has limited the efficacy of the requirement.


27 Braveman, et al., Wealth Matters for Health Equity, 6.


29 As the 5-year uninsured rates in the ACS include the last year prior to the full implementation in 2014, these estimates reflect higher uninsured rates than are found in the one-year estimates for states in the ACS or for counties in the Census Bureau’s Small Area Health Insurance Estimates. For this analysis, states that had implemented Medicaid expansion by 2017 were included.